

NAME:.....INDEX .....

SCHOOL:.....SIGNATURE..... DATE.....

565/1  
BUSINESS STUDIES  
PAPER 1  
JULY / AUGUST 2012  
2 HOURS

**KISUMU EAST AND NORTH DISTRICT JOINT EXAMINATION**  
**Kenya certificate of secondary education 2010**

565/1  
BUSINESS STUDIES  
PAPER 1  
JULY / AUGUST 2012

**INSTRUCTIONS TO CANDIDATES**

- ❖ Answer all questions in the spaces provided in the question paper
- ❖ All your workings to be shown

**For Examiners Use Only**

1	2	3	4	5	6	7	8	9	10	11	12	13

14	15	16	17	18	19	20	21	22	23	24	25	TOTAL MARKS

1. Outline **four** challenges associated with the satisfaction of human wants. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

2. Highlight **four** ways in which manufacturers can enhance consumer protection. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

3. State **four** ways in which the government may influence the price of a commodity. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

4. Outline **four** features of demand deposit account. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

5. The balances below relates to Eureka Traders for the year ended 31<sup>st</sup> December 2010.

	<u>Shs.</u>
Capital	?
2 year Bank loan	230,020
Creditors	95,200
Fixed assets	480,000
Current assets	145,220

Determine the following

i.) Working capital. (2mks)

ii.) Capital employed. (2mks)

6. Classify the following accounts as either real or nominal. (4mks)

Account	Class
Delivery van	
Purchases	
Insurance premium	
Commission income	

7. Highlight **four** measures that the government would undertake to provide investors with an enabling business environment. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

8. Outline **four** circumstances under which downwards communication would be appropriate in an organization. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

9. State **four** limitations of using national income statistics to compare the standards of living in different countries. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

10. State **four** merits of using indirect taxes to raise government revenue. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

11. State **four** components of a business plan. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

12. Outline **four** demerits of using pipeline to transport petroleum products. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

13. Highlight **four** circumstances which may make personal selling appropriate as a way of product Promotion. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

14. Maneno traders had the following balances as at 6<sup>th</sup> January 2012. (4mks)

Land & building	150,000
Cash in hand	25,500
Creditors	15,000
Bank overdraft	30,000
Purchases	18,000
Sales	30,000
Returns inwards	5,000

**Required;**

A trial balance as at 6<sup>th</sup> January 2012

15. Outline four monetary methods that the government can use to control inflation. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

16. Name the office machines used to perform the following functions. (4mks)

Function	Machine
a) To fold documents, place them in the envelope and seal.	
b) Used to transmit printed messages such as Letters ,maps diagrams and photographs	
c) Reproducing documents from a master copy(stencil)	
d) Printing postage impressions on the envelopes	

17. Outline **four** distinctions between monopolistic competition and oligopoly. (4mks)

Monopolistic competition	Oligopoly
(a)	
(b)	
(c)	
(d)	

18. Highlight four disadvantages of producer co-operative societies. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

19. State **four** objectives of export processing zones in Kenya. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

20. Outline four advantages of overpopulation in Kenya. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

21. Highlight **four** benefits of a bonded warehouse to the government. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

22. State **four** features of a departmental store. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

23. Outline **four** conditions which are necessary for a successful development plan. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

24. State **four** purposes of a three column cash book. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....

25. Highlight four features of general insurance. (4mks)

- a) .....
- b) .....
- c) .....
- d) .....